

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 2862-01  
BILL NO.: HB 1325  
SUBJECT: Taxation and Revenue; Public Service Commission  
TYPE: Original  
DATE: February 2, 2000

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses  
This fiscal note contains 3 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Economic Development - Public Service Commission (PSC)** assume the proposal would have no fiscal impact on the PSC. This proposal would include modifications made to SB 627, which was passed in 1998. PSC officials requested additional staff for that proposal and subsequently, requested staff in their budget to implement the proposal. Therefore, modifications proposed in this bill should not result in additional costs.

Officials from the **Department of Economic Development - Office of Public Counsel (OPC)**, **Department of Revenue (DOR)** and the **Department of Natural Resources (DNR)** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **City of St. Louis** did not respond to our fiscal note request.

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
	0	0	0

<u>FISCAL IMPACT - Local Government</u>	FY 2001	FY 2002	FY 2003
	0	0	0

### FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

### DESCRIPTION

This bill makes changes to the provisions enacted in Senate Bill 627 (1998), which required sellers of electricity and gas to be certified by the Public Service Commission and to file agreements which the sellers entered into for the payment of all business license taxes or franchise fees owed. The bill clarifies that a retail user will not be considered a seller. A provision is added requiring electrical and gas corporations to conditions, by October 1, 2000, to enforce the agreement structure.

DESCRIPTION (continued)

The bill also extends the same framework to sales and use tax, requiring sellers of electricity and gas to file agreements with the Public Service Commission to collect and remit all local sales and use taxes on energy services. Distributors and political subdivisions are prohibited from providing energy services to any person unless the seller has been certified by the Public Service Commission and has filed its agreements. Sellers are required to waive all rights to challenge the validity of the agreement and of any right to a refund of amounts paid. A declaratory judgment action is authorized. Legal action challenging the validity of any agreement suspends that agreement until a final court judgment is made; if a court judgment invalidates the agreement structure, energy services may only be provided upon a finding of public convenience and necessity by the Public Service Commission.

The bill has an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

This proposal would not affect Total State Revenues.

#### SOURCES OF INFORMATION

Department of Economic Development - Public Service Commission  
Department of Economic Development - Office of Public Counsel  
Department of Revenue  
Department of Natural Resources

#### **NOT RESPONDING:**

City of St. Louis



Jeanne Jarrett, CPA  
Director  
February 2, 2000